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C O N F I D E N T I A L SECTION 01 OF 03 DHAKA 003002

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STATE FOR SCA, INR

E.O. 12958: DECL: 05/23/2016

TAGS: PGOV ELAB ECON ASEC BG

SUBJECT: GARMENT WORKERS PROTESTS ERUPT IN VIOLENCE

Classified By: Amb. Patricia Butenis; reason 1.4(d)

¶1. (U) Summary: Garment worker protests at a Savar factory May 22 quickly spilled over to other factories and then into the Dhaka Export Processing Zone (DEPZ). Police were slow to respond, but had the situation under control by late afternoon. Reports indicate one death, several injuries and significant property damage outside DEPZ. Protests continued on May 23 with several thousand garment workers from factories in the band from north Dhaka near Zia International Airport to Savar reportedly turning to the streets, blocking major roads. There were scattered reports of violence and property damage. Order was restored by 1600 local. No disturbances are reported in Chittagong.

¶2. (U) The Prime Minister departed on a scheduled trip for the UAE on May 23 after a brief delay. State Minister for Home Affairs Babar may cancel his May 24 trip to the U.S. Post personnel are restricted to the diplomatic zone but there is no immediate threat to post facilities or residences. The post EAC meeting is reported septel. End summary.

Wage Protest Sparks Violence

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¶3. (U) Garment workers protested outside their factory on May 22 demanding payment of back wages and improved working conditions. The protest was the latest escalation of a dispute that apparently had simmered for weeks. Scattered violence quickly got out of hand and spilled over to the adjacent factory, and then to other factories in the area as workers urged their colleagues to join the street protest. By mid-morning, protesters had blocked the two main roads in the area and spilled into the nearby Dhaka Export Processing Zone (DEPZ).

¶4. (SBU) Police were slow to respond, but had the situation under control by late afternoon. Reports indicate one death and several injuries. Three factories outside the DEPZ were burned, including a Korean owned factory that burned to the ground. Within the zone, protesters smashed vehicles, set small fires at two factories, and broke windows and damaged offices at several other factories, including a U.S. owned factory (Paxar www.paxar.com) located just inside one of the entrances to the zone. The factory apparently was a target of opportunity. The general manager does not believe it was attacked because of its U.S. ownership. No Americans were present in the factory.

**¶5.** (SBU) Bangladesh Export Processing Zone Authority (BEPZA) officials were caught off guard by the attack on the DEPZ. During the violence, the GM of the Paxar factory called econoff to report on events. He also met with econoff on May 23. He said his initial calls to DEPZ and BEPZA authorities had produced no visible police response. Even as protestors were approaching the DEPZ, no steps were taken to close access gates, officials apparently naively assuming that protestors would observe past practices and not enter the DEPZ grounds. Once police arrived in sufficient numbers nearly six hours after the initial protests, they were quickly able to bring the situation under control.

Protests Spread to Dhaka

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**¶6.** (U) Protests continued on May 23 with several thousand garment workers from factories in the band from north Dhaka to Savar reportedly turning to the streets, blocking major roads. By mid-morning, demonstrators had gathered in Mirpur, Uttarkhan (north of the airport) and Tongi. There are scattered reports of violence, including ransacking of businesses and arson. The Bangladesh Garment Manufacturers Association (BGMEA) reports protestors have set fire to at least one factory in Asulia. There are also reports of fires and violence at factories in the Tejgaon Commercial Area, located just outside the southern end (Gulshan 1) of the diplomatic zone. One factory owner and former president of the BGMEA estimates over 200 factories have been damaged since the protests began. As of 1600 local, officials reported calm had been restored.

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Chittagong Remains Calm

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**¶7.** (U) Investors in Chittagong report the city remains calm. One incident on May 23 was quickly defused. Additional police have been deployed around the Chittagong EPZ and operations are normal within the zone.

Government Response Mixed

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**¶8.** (SBU) The BDG has turned out police, the Rapid Action Battalion (RAB) and the Bangladesh Rifles (BDR) to deal with the protests and had restored order by 1600 local. Paxar's GM said he observed police and the BDR deployed outside the DEPZ, and said there has been no further violence in the zone.

**¶9.** (U) Prime Minister Zia delayed her scheduled departure to the UAE by two hours so she could consult with senior government officials. State Minister for Home Affairs Lutfozzaman Babar told us late May 23 he may have to postpone his May 24 trip to the U.S. in order to deal with events. For now, the BDG has resisted calls to deploy the military.

Labor Leaders Arrested

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**¶10.** (SBU) Police and the RAB have reportedly picked up organizers of several of Solidarity Center's labor NGO partners. David Welch, in his first day as Solidarity Center's Bangladesh Director, told econ officer three members of its partner BIGUF (including the janitor) were arrested the morning of May 23 and are being held without bail. He also said RAB officers have been seen walking past Solidarity's office several times today. Organizers of two other Solidarity Center partners (NGWF and BCWS) were also picked up.

Opposition Calls for Calm

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¶11. (C) AL Organizing Secretary Aktaruzzaman told polfsn that AL activists were not part of the demonstrations. AL's Joint General Secretary Mukul Bose told polfsn that his party is not officially involved in the worker's demonstrations but certainly AL members are likely participating in them. DCM spoke with AL Presidium member Kazi Zafarullah late May 23 to urge Sheik Hasina to issue an explicit call for calm.

Zafarullah said the AL leadership was meeting tonight to discuss its response over the next few days. Zafarullah also said the AL was not active in the demonstrations and had been working with AL factory owners behind the scenes to calm the situation down.

BGMEA and Investors Nervous

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¶12. (U) BGMEA is demanding swift government action, urging the government to call out the military to restore order. They are demanding compensation to factory owners and threatening to shut down the industry unless order is restored by nightfall. They will meet with the Home Minister and the Minister for Local Government, Rural Development and Development on May 23. BEPZA was meeting with investors from Dhaka and Chittagong to assure them the EPZs would be kept secure.

Demands and Causes Unclear

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¶13. (U) No one seems to have a clear idea what is behind the protests. No coherent demands have emerged and the protests have spread beyond the garment industry to factories in general. Indications are that the protests have formed spontaneously and not in response to organized political or labor agitation. Most eye witnesses report the crowds move from factory to factory, growing as workers are encouraged to come out and join the demonstrations. Television footage reveals an almost festive atmosphere, with protestors laughing and posing for the cameras. While the original spark may have been wage demands at a particular factory, the

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violence quickly became indiscriminate.

¶14. (U) Theories and rumors abound. BGMEA, its senior leadership in the U.S., has been disorganized, blaming everything from "outside influences and competitors" to "political forces out to destroy the industry." Some speculate that frustration over frequent power outages, water shortages, and price hikes for essentials has finally spilled over into civil protests. Others see an emerging populist anger at growing income disparities, represented by factory owners. Some or all of these factors could be in play, but it is doubtful even the protestors themselves know at this point.

BUTENIS